

# **EXHIBIT C**



**ELECTRIC RULE NO. 14**  
**SHORTAGE OF SUPPLY AND INTERRUPTION OF DELIVERY**

Sheet 1

**END USE CUSTOMERS AND THEIR AGENTS**

PG&E will exercise reasonable diligence and care to furnish and deliver a continuous and sufficient supply of electric energy to the customer, but does not guarantee continuity or sufficiency of supply. PG&E will not be liable for interruption or shortage or insufficiency of supply, or any loss or damage of any kind of character occasioned thereby, if same is caused by inevitable accident, act of God, fire, strikes, riots, war, or any other cause except that arising from its failure to exercise reasonable diligence.

PG&E shall be the sole judge of whether it is operationally able to receive or deliver electric energy through its electric distribution system. Such judgement shall be non-discriminatory and without regard to the supplier or electric service provider to the end-use customer.

Under no circumstances shall PG&E be liable to its customers or their agents for any local or system deficiencies in supply stemming from inadequate power bids or power deliveries over the Independent System Operator (ISO) grid. Similarly, PG&E shall not be liable to any customer, or electric service provider, for damages or losses resulting from interruption due to transmission constraint, allocation of transmission or intertie capacity, or other transmission related outage, planned or unplanned. (T)

PG&E specifically maintains the right to interrupt its service deliveries, without liability to the Customers or electric service providers (ESPs) affected, when, in PG&E's sole opinion, such interruption is necessary for reasons including, but not limited to, the following:

1. Safety of a customer, a PG&E employee, or the public at large.
2. Breach of code or regulation on either PG&E-owned or customer-owned facilities.
3. Emergency affecting or likely to affect PG&E's distribution system, the ISO grid or any other system through which PG&E directly or indirectly receives power.
4. Maintenance, improvements, repairs, or expansion of PG&E's distribution system.

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Sheet 2

When PG&E deems it necessary to make repairs or improvements to its system, PG&E will have the right to suspend temporarily the delivery of electric energy. In all such cases, reasonable notice will be given to the affected Customers, or their agents, and the making of such repairs or improvements will proceed as rapidly as may be practicable. If practicable, and without additional cost to PG&E, such work will be done at a time that will cause the least inconvenience to the majority of those involved. In some instances, PG&E will be required to initiate an interruption upon order of the ISO so work may be done on the ISO transmission grid. In those instances, PG&E will make best efforts attempt to provide affected customers, or their agents, with notice, but shall not be liable for interruption if notice cannot be provided in a timely manner. PG&E will be responsible for answering all outage related inquiries by the customer and its ESP.

(T)

In case of shortage of supply and during the period of such shortage, PG&E will make such apportionment of its available supply of energy among its customers, consistent with transmission allocation provided by the ISO by zone, and orders or directions provided by the California Public Utilities Commission, acting either directly or by a power administrator or other official appointed by it for that purpose. In the absence of such order or direction by the California Public Utilities Commission, PG&E will, in times of shortage, apportion its available supply of energy among all customers in the manner which it deems most fair, reasonable, and appropriate for the efficient operation of its distribution system and that of the ISO grid.

(T)

A Scheduling Coordinator or an ESP may be authorized, under a commercial contract with its customers, to apportion its available supply of energy among its customers. PG&E will accept requests for and make deliveries of these apportioned supplies as long as such deliveries do not affect PG&E's ability to deliver service to other end-use Customers, regardless of supplier, that would otherwise not be affected by the shortage or apportionment thereof.

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**ELECTRIC RULE NO. 14**  
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Sheet 3

**ELECTRIC EMERGENCY PLAN ROTATING BLOCK OUTAGES FOR TRANSMISSION LEVEL CUSTOMERS**

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For the purposes of this Section only, transmission level customers are those customers that are served from a "single customer substation" as defined in PG&E's Electric Rule 1 or without transformation at one of the standard transmission voltages specified in PG&E's Electric Rule 2, Section B.1.

Transmission level customers, except for those customers meeting the CPUC's criteria for essential use or those otherwise exempt from rotating outages in accordance with CPUC Decisions, will be incorporated into PG&E's rotating outage block plan and subjected to load interruptions when rotating block outages are ordered by the ISO. PG&E will, to the extent practical, follow the applicable principles and procedures specified in PG&E's Electric Rule 14, by the CPUC, and by the ISO. To the extent feasible, PG&E will coordinate rotating outages applicable to customers who are fossil fuel producers, pipeline operators and users to minimize disruption to public health and safety. PG&E shall not include a transmission level customer in an applicable rotating outage block if the customer's inclusion would jeopardize system integrity. Transmission level customers who are not exempt from rotating outages may submit an Optional Binding Mandatory Curtailment (OBMC) Plan to PG&E in accordance with PG&E's Electric Schedule OBMC. If PG&E approves a customer's OBMC Plan, the customer will become exempt from rotating outages and will be subject to the terms and conditions of PG&E's Electric Schedule OBMC and its associated agreement.

Non-exempt transmission level customers shall be required to undergo rotating outages applicable to the customer's assigned rotating outage block by either (1) implementing the load reduction on their own initiative, in accordance with subsection a, below; or (2) having PG&E implement the load reduction through PG&E-owned remote-controlled equipment in accordance with subsection b, below. A transmission level customer shall normally be subject to the provisions of subsection a. If PG&E approves a transmission level customer's request to have PG&E implement the customer's load reduction, then the customer will be subject to the provisions of subsection b, below. If a transmission level customer subject to subsection a, below, exceeds the threshold specified in subsection c below, then the customer will be subject to the provisions of subsection c.(i) or (ii), below.

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**ELECTRIC RULE NO. 14**  
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Sheet 4

**A. Customer-Implemented Load Reduction**

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**Notification of Required Load Reduction.** When the ISO orders implementation of rotating outages, PG&E shall notify transmission level customers in an affected rotating outage block to drop their load. Within 30 minutes of such notification, the customer must drop its load down to or below its Authorized Residual Ancillary Load. Unless otherwise notified by PG&E to do so, the customer shall not return the dropped load to service until 90 minutes after PG&E sent the notification to the customer to drop its load.

**Method of Notification to Drop Load.** PG&E will notify transmission level customers through a call to a telephone number designated by the customer. The customer is responsible for informing PG&E, in writing, of the telephone number and contact name for purposes of receiving the notification of a rotating outage. If the customer does not provide PG&E with a telephone number, PG&E will notify the customer in writing of the number to be utilized, which will be the official number for notification, unless the customer provides an alternate number to PG&E within 15 days of the customer's receipt of such written notice. The telephone number may be to a customer owned and maintained business telephone, cellular phone, or separately designated telephone line. If PG&E makes two attempts to notify the customer to drop load in conjunction with a rotating outage, and such attempts are unanswered, the 30 minutes notification period in which to drop the load will commence with the time of the second call, even if the call was unanswered.

**Excess Energy Charges.** If a transmission level customer fails to drop load within 30 minutes of notification by PG&E, and/or fails to maintain the entire load drop until 90 minutes after the time notification was sent to the customer, PG&E shall assess Excess Energy Charges of \$6 per kWh for all kWh usage in excess of the Authorized Residual Ancillary Load. Such charges will be based on the total kWh usage during the applicable rotating outage penalty period, less the product of Authorized Residual Ancillary Load in kW and the applicable rotating outage penalty period in hours. If applicable, Excess Energy Charges will be determined by PG&E following the rotating outage and applied to the customer's energy bill. Failure to make payment within the timeframe specified in PG&E's Electric Rules 8 and 9 may result in termination of service pursuant to PG&E's Electric Rule 11.

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Sheet 5

**A. Customer-Implemented Load Reduction (Cont'd.)**

(N)

Authorized Residual Ancillary Load. Authorized Residual Ancillary Load is load that is deemed to be equivalent to five (5) percent of the customer's recorded Maximum Demand from the customer's prior billing month. This minimum load level is used as a proxy to allow for no-load transformer losses and ancillary substation equipment loads.

For customers that are net-generators, Excess Energy Charges shall not apply during periods of pre-scheduled verifiable generator maintenance or if the customer's generator suffers a verified forced outage. The scheduled maintenance must be approved in advance by both the ISO and PG&E, but approval may not be unreasonably withheld.

**B. PG&E-Implemented Load Reduction**

Non-exempt transmission level customers may seek, in writing, to have PG&E drop the customer's entire load during all applicable rotating outages. If PG&E agrees to such an arrangement, PG&E will implement the load drop by using one of the following methods:

1. For transmission level customers whose load can be dropped by existing PG&E remote-controlled equipment, PG&E will implement the load drop during a rotating outage applicable to the customer. The customer will be responsible for dropping load in accordance with the provisions of subsection a, above, including receiving Notification and being subject to Excess Energy charge provisions, until PG&E has provided written notice to the customer of the effective date that PG&E will assume the responsibility for curtailing the customer's load. After receiving written notice from PG&E, the customer will not receive Notification or be subject to the Excess Energy Charge provisions set forth in subsection a, above. PG&E shall be the sole judge of the suitability of utilizing existing PG&E remote-controlled equipment to shed the customer's load. PG&E or the customer may terminate the arrangements under this subsection upon thirty (30) days advance written notice.

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Sheet 6

B. PG&E-Implemented Load Reduction (Cont'd.)

(N)

2. For transmission level customers whose load cannot be dropped by existing PG&E remote-controlled equipment, the customer must request the installation of such remote-controlled equipment at the customer's expense in accordance with PG&E's Electric Rule 2, Section I, Special Facilities. The customer will be responsible for dropping load in accordance with the provisions of subsection a, above, including receiving Notification and being subject to Excess Energy Charge provisions, until all of the following have been completed: 1) payment by the customer for the installation of such equipment, 2) installation and testing of such equipment is complete, and 3) PG&E has provided written notice to the customer of the effective date that PG&E will assume the responsibility for curtailing the customer's load. After the three (3) requirements listed above have been met, the customer will not receive Notification or be subject to the Excess Energy Charge provisions set forth in subsection a, above. PG&E or the customer may terminate their arrangements under this subsection upon thirty (30) days advance written notice.

C. Non-compliance

A non-exempt transmission level customer subject to subsection a, above, shall be considered non-compliant with a single rotating outage event if the customer fails to reduce its load, averaged over the applicable rotating outage penalty period, to a level equal to or less than twenty (20) percent of the customer's recorded Maximum Demand from the customer's prior billing month.

If a customer is non-compliant during any three (3) rotating outages in a three (3) year period, then the customer will be reassigned to the manual rotating outage block that is expected be curtailed next, and the customer will be expected to comply as required pursuant to subsection a, above, with subsequent applicable rotating outages. Further, such a customer must select, via written notice to PG&E, one of the two options below within fifteen (15) days after receiving written notice from PG&E. A customer failing to make a selection within the specified time frame will default to subsection c.(ii) below. The three (3) year period shall commence with the first failure to drop load as specified in this subsection.

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Sheet 7

## C. Non-compliance (Cont'd.)

(N)

1. Subject to PG&E's Electric Schedule E-OBMC Optional Binding Mandatory Curtailment Plan. The customer shall become subject to PG&E's Electric Schedule OBMC. The customer shall submit an OBMC Plan, in accordance with PG&E's Electric Schedule E-OBMC, within thirty (30) days of receiving written notice from PG&E. Pending the submittal of the OBMC Plan by the customer and pending the review and acceptance of the OBMC Plan by PG&E, the customer will remain responsible for dropping load in accordance with the provisions of subsection a, above, including the receiving of Notification and being subject to Excess Energy Charge provisions. Customers subject to this subsection that in turn fail to meet one or more requirements specified in PG&E's Electric Schedule E-OBMC shall be transferred to subsection c.(ii), below.
2. PG&E Implemented Load Reductions. PG&E shall proceed with one of the following: (1) For those customers where PG&E already has load drop equipment with remote-control capability installed, PG&E will drop the customer's entire load for all applicable subsequent rotating outages in accordance with the provisions of subsection b, above, except the customer shall not have the option to terminate their obligations under subsection b. PG&E shall be the sole judge of the suitability of utilizing existing PG&E remote-controlled equipment to shed the customer's load. (2) For customers where PG&E does not have load drop equipment with remote-control capability installed, PG&E shall install such equipment at the customer's expense in accordance with PG&E's Electric Rule 2, Section I, Special Facilities. After such equipment has been installed, PG&E will drop the customer's entire load for all applicable subsequent rotating outages in accordance with the provisions of subsection b, above, except the customer shall not have the option to terminate their obligations under subsection b. Pending the installation of such equipment, the customer will remain responsible for dropping load in accordance with the provisions of subsection a, above, including receiving the Notification and being subject to Excess Energy Charge provisions.

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